

High Interest Savings Account Fund

December 31, 2023

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 or by visiting our website at www.evolveetfs.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Investment Objective and Strategies

The High Interest Savings Account Fund (the "Fund") seeks to maximize monthly income while preserving capital and liquidity by investing primarily in high interest deposit accounts.

Risk

There were no changes to the Fund over the period of this report that materially affected the level of risk associated with an investment in the Fund. Prospective investors should read the Fund's most recent prospectus and consider the description of risks contained therein.

Results of Operations

For the year ended December 31, 2023, the Unhedged ETF Units returned 5.1%, the Unhedged Class A Mutual Fund Units returned 4.8%, the Unhedged Class F Mutual Fund Units returned 5.1%, and the Unhedged Class I Mutual Fund Units returned 5.3% after fees and expenses, versus the Bank of Canada Treasury Bills One Month return of 4.7%. Overall, the Fund outperformed its benchmark during the period. The Fund invested solely in bank deposits with Schedule 1 Canadian banks. The Fund's net assets were \$5,285.1MM as at December 31, 2023.

Portfolio Manager Commentary

Throughout 2023, high interest savings account funds in Canada have become an increasingly attractive option for investors seeking to preserve capital and earn interest income through a reliable and liquid investment vehicle. This is largely due to the fact that the Bank of Canada (BoC) has been steadily raising the target overnight rate since early 2022 and continued to do so throughout 2023. In fact, the target overnight rate reached a 22-year high of 5.00% during the year, following three 25-basis-point hikes in January, June, and July. This rate hiking cycle was aimed at tempering inflation which, at its peak, overshot the central bank's 2% target by a significant margin, and was consistent with global central banking trends as a response to post-pandemic inflationary pressures.¹

In the latter part of the year, inflation showed signs of easing, with the Consumer Price Index (CPI) growth declining to 3.1% in November from 5.9% in January.² This deceleration indicated the effectiveness of the BoC's tightening measures and suggested a potential stabilization of the economy. Accordingly, the BoC paused their rate hiking cycle as they left the target overnight rate unchanged at 5.00% when they announced in September, October, and December. However, BoC Governor Tiff Macklem's remarks signaled caution, acknowledging that while the current rate levels may be sufficient to achieve price stability, there is readiness to adjust policy further if inflation does not continue to ease towards the central bank's target.³

In summary, high interest savings account funds continue to offer liquidity and capital preservation amid uncertain economic conditions such as the ones experienced in 2023. Investors, particularly those with a conservative risk profile or in need of a steady cash flow, have found value in allocating a portion of their portfolio to high interest savings account products in order to directly benefit from the rising interest rates while safeguarding against the eroding effects of inflation.

(1) [https://www.reuters.com/markets/rates-bonds/bank-canada-hikes-rates-5-with-inflation-seen-above-2-until-2025-2023-07-12/#:~:text=OTTAWA%2C%20July%2012%20\(Reuters\),stalling%20above%20its%20%25%20target](https://www.reuters.com/markets/rates-bonds/bank-canada-hikes-rates-5-with-inflation-seen-above-2-until-2025-2023-07-12/#:~:text=OTTAWA%2C%20July%2012%20(Reuters),stalling%20above%20its%20%25%20target).

(2) <https://www.bankofcanada.ca/rates/indicators/capacity-and-inflation/>

(3) <https://www.reuters.com/markets/bank-canada-says-rates-may-now-be-peak-excess-demand-now-gone-2023-11-22/>

Recent Developments

There are no known changes at this time to the investment strategy of the Fund or the Manager.

Related Party Transactions

Evolve Funds Group Inc. (the "Manager") complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

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Management Fees

The Manager is entitled to an annual management fee of 0.15% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 0.40% of the net asset value of the of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. The annual management fee is negotiable for the Unhedged Class I Mutual Fund Units of the Fund. For the year ended December 31, 2023, the Fund incurred \$9,902,545 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

Administration Fees

Operating expenses are covered by Manager that are including but not limited to: mailing and printing expenses for periodic reports to unitholders; Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated.

The Fund's Net Assets Per Unit¹

	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)
Unhedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	50.01	50.00	50.00	50.01	50.00
Increase (decrease) from operations:					
Total revenue	2.61	1.64	0.37	0.45	0.13
Total expenses	(0.08)	(0.04)	(0.09)	(0.08)	(0.01)
Total increase (decrease) from operations²	2.53	1.60	0.28	0.37	0.12
Distributions:					
From income (excluding dividends)	(2.60)	(1.14)	(0.28)	(0.44)	(0.06)
Return of capital	-	-	-	(0.01)	(0.05)
Total annual distributions³	(2.60)	(1.14)	(0.28)	(0.45)	(0.11)
Net Assets per Unit, end of period	50.01	50.01	50.00	50.00	50.01
Unhedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	10.00	10.00	N/A
Increase (decrease) from operations:					
Total revenue	0.52	0.32	0.07	0.08	N/A
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	N/A
Total increase (decrease) from operations²	0.48	0.28	0.03	0.04	N/A
Distributions:					
From income (excluding dividends)	(0.47)	(0.19)	(0.03)	(0.06)	N/A
Total annual distributions³	(0.47)	(0.19)	(0.03)	(0.06)	N/A
Net Assets per Unit, end of period	10.00	10.00	10.00	10.00	N/A

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The Fund's Net Assets Per Unit¹ (cont'd)

For the periods ended:	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)
Unhedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	10.00	10.00	N/A
Increase (decrease) from operations:					
Total revenue	0.52	0.32	0.07	0.08	N/A
Total expenses	(0.01)	(0.02)	(0.01)	(0.02)	N/A
Total increase (decrease) from operations²	0.51	0.30	0.06	0.06	N/A
Distributions:					
From income (excluding dividends)	(0.50)	(0.22)	(0.06)	(0.07)	N/A
Total annual distributions³	(0.50)	(0.22)	(0.06)	(0.07)	N/A
Net Assets per Unit, end of period	10.00	10.00	10.00	10.00	N/A
Unhedged Class I - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	N/A	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.53	0.42	N/A	N/A	N/A
Total increase (decrease) from operations²	0.53	0.42	N/A	N/A	N/A
Distributions:					
From income (excluding dividends)	(0.52)	(0.18)	N/A	N/A	N/A
Total annual distributions³	(0.52)	(0.18)	N/A	N/A	N/A
Net Assets per Unit, end of period	10.00	10.00	N/A	N/A	N/A

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2023, 2022, 2021, 2020, and 2019. The Unhedged ETF Units effectively began operations on November 19, 2019. The Unhedged Class A and F Mutual Fund Units effectively began operations on January 16, 2020. The Unhedged Class I Mutual Fund Units effectively began operations on April 26, 2022.
- 2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.
- 3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

The Fund's Ratios/Supplemental Data

For the period ended:	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	1,700,461,252	1,385,336,504	262,503,743	527,508,646	80,009,210
Number of units outstanding ⁴	34,000,000	27,700,000	5,250,000	10,550,000	1,600,000
Management expense ratio ⁵	0.16%	0.07%	0.17%	0.17%	0.17%
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	50.01	50.01	50.00	50.00	50.01
Closing market price (\$)	50.01	50.02	50.00	50.00	50.01
Unhedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	1,146,850,922	476,818,252	69,240,875	66,136,309	N/A
Number of units outstanding ⁴	114,655,758	47,676,846	6,924,088	6,613,625	N/A
Management expense ratio ⁵	0.45%	0.45%	0.45%	0.44%	N/A
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	N/A
Net Asset Value per unit (\$)	10.00	10.00	10.00	10.00	N/A
Unhedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	2,276,285,406	1,124,970,973	185,678,433	119,646,534	N/A
Number of units outstanding ⁴	227,566,817	112,484,492	18,567,844	11,964,655	N/A
Management expense ratio ⁵	0.17%	0.17%	0.17%	0.16%	N/A
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	N/A
Net Asset Value per unit (\$)	10.00	10.00	10.00	10.00	N/A

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The Fund's Ratios/Supplemental Data (cont'd)

For the period ended:	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Unhedged Class I - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	161,498,620	41,285,811	N/A	N/A	N/A
Number of units outstanding ⁴	16,145,333	4,128,099	N/A	N/A	N/A
Management expense ratio ^{5,7}	0.00%	0.00%	N/A	N/A	N/A
Trading expense ratio ⁶	0.00%	0.00%	N/A	N/A	N/A
Net Asset Value per unit (\$)	10.00	10.00	N/A	N/A	N/A

4 This information is provided as at December 31, 2023, 2022, 2021, 2020, and 2019.

5 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

6 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

7 The management fee for the Unhedged Class I Mutual Fund Units is negotiable and is paid by the unitholder directly to the Manager. As a result, the management fee is not included in the MER for the Unhedged Class I Mutual Fund Units of the Fund.

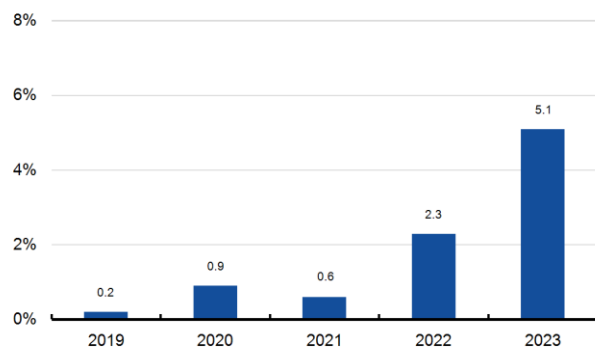
Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment Fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

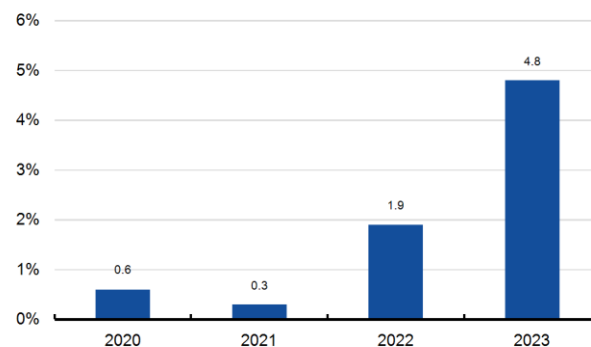
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A, F and I Mutual Fund Units' performance for each of the financial years shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

HISA Unhedged ETF Units¹



Unhedged Class A Mutual Fund Units²



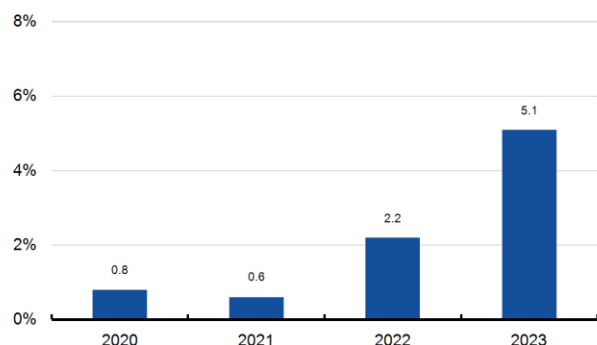
1 The Unhedged ETF Units of the Fund effectively began operations on November 19, 2019.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on January 16, 2020.

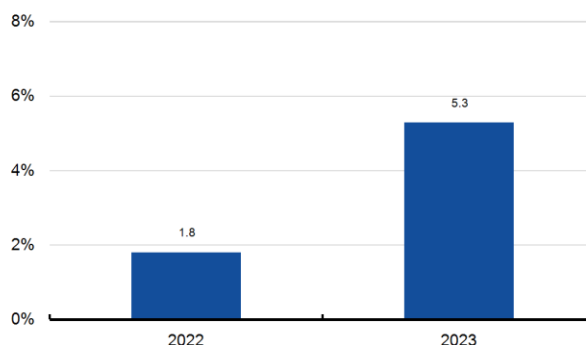
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Unhedged Class F Mutual Fund Units³



Unhedged Class I Mutual Fund Units⁴



³ The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on January 16, 2020.

⁴ The Unhedged Class I Mutual Fund Units of the Fund effectively began operations on April 26, 2022.

Annual Compound Return

The table below shows the historical annual compound total return of the Unhedged ETF Units and the Unhedged Class A, F, and I Mutual Fund Units. The returns are for period ended December 31, 2023. As a basis of comparison, we have provided the performance of Bank of Canada Treasury Bills One Month ("Index"). As the criteria for determining the constituents of the Fund and the Index differ, it is not expected that the Fund's performance will mirror that of the Index. Further, the return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Since Inception ¹ (%)	1 Year (%)	3 Year (%)
Unhedged ETF Units	2.2	5.1	2.7
Bank of Canada Treasury Bills One Month Index	1.8	4.7	2.2
Unhedged Class A Mutual Fund Units	1.9	4.8	2.3
Bank of Canada Treasury Bills One Month Index	1.8	4.7	2.2
Unhedged Class F Mutual Fund Units	2.2	5.1	2.6
Bank of Canada Treasury Bills One Month Index	1.8	4.7	2.2
Unhedged Class I Mutual Fund Units	1.8	5.3	N/A
Bank of Canada Treasury Bills One Month Index	3.9	4.7	N/A

¹ From inception date of November 19, 2019 for the Unhedged ETF Units, from inception date of January 16, 2020 for the Unhedged Class A and F Mutual Fund Units and from inception date of April 26, 2022 for the Unhedged Class I Mutual Fund Units.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Top Holdings	
National Bank of Canada Cash Account	49.3
CIBC Cash Account	25.4
Scotiabank Cash Account	24.9
BMO Cash Account	0.1
Total	99.7

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Bank Deposits	
High Interest Savings Cash Accounts	99.7
Cash and Cash Equivalents	(0.4)
Other Assets, less Liabilities	0.7
Total	100.0

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at www.evolveetfs.com.



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